

# BALANCED BUDGET PROPOSAL 2015



Office of the  
Town Manager  
1.28.2014

# FY15 Balanced Budget Framework

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- BOS Goals
- Maintenance/Optimization of Existing Town Services
- Preservation of Town Assets
- Sustainability
- Economic Vitality
- Stewardship
- Appearance



# Fiscal Discipline

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- Work within recurring revenue to fund operations
- Control legacy costs
- Refrain from drawing down reserves
- Increase reserves
- Maintain strong credit rating
- Refrain from over-committing in “good years”



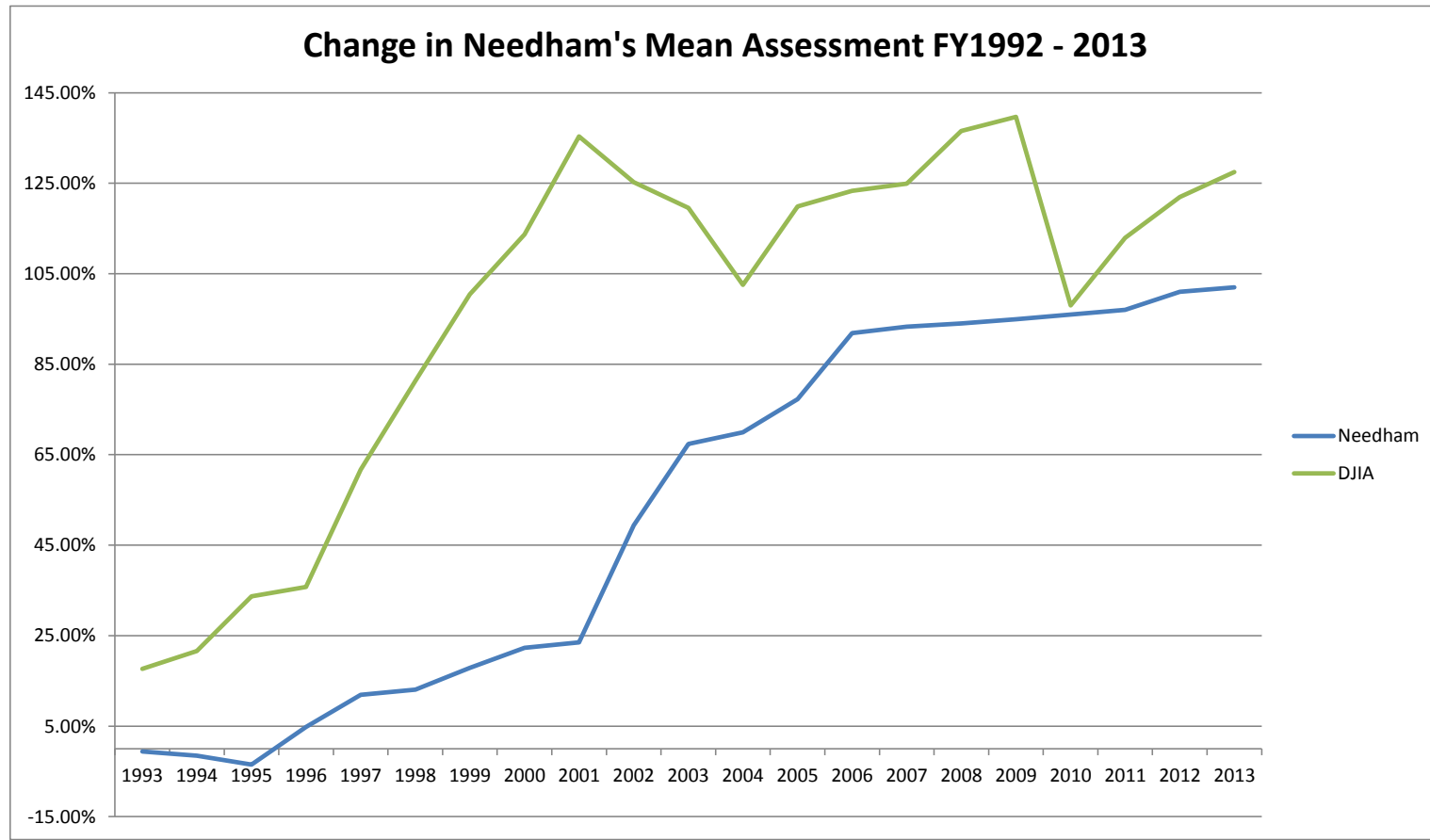
# Visible Investment 2009-2014

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- High Rock School
- Newman School
- Town Hall
- PSAB
- Senior Center
- Salt Shed, Reservoir B
- Garage Bays, St. Mary's
- Downtown Parcels
- Greene's Field
- Carol-Brewster
- Walker Gordon



# High Property Value





# Financial Forecast

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- Actual local receipts in FY2013 were higher than FY2012, but the dollar level of increase is trending down
- Increases in State aid are slowing
- Townwide expenses continue to moderate but will begin to increase
- General Government department budgets are increasing at a higher rate than in prior years - 4.7%
- Strong tax levy growth based on significant level of building activity

# Revenue Projection Changes

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Tax Levy:\* **3.5%**

Cherry Sheet Aid:**3.4%**

Local Receipts: **3.7%**

\*Within the Levy Limit: **4.2%**



# State Aid: Governor's Proposal

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## Chapter 70 School Aid

- FY2012 \$6,991,720 – 6.1%
- FY2013 \$7,633,990 – 9.2%
- FY2014 \$7,901,802 – 3.5%
- **FY2015 \$8,239,740 – 4.3%**

## Unrestricted General Government Aid/Annual Formula Aid

- FY2012 \$1,369,789 – (7.2%)
- FY2013 \$1,476,550 – 7.8%
- FY2014 \$1,511,453 – 2.3%
- **FY2015 \$1,511,453 – 0%**





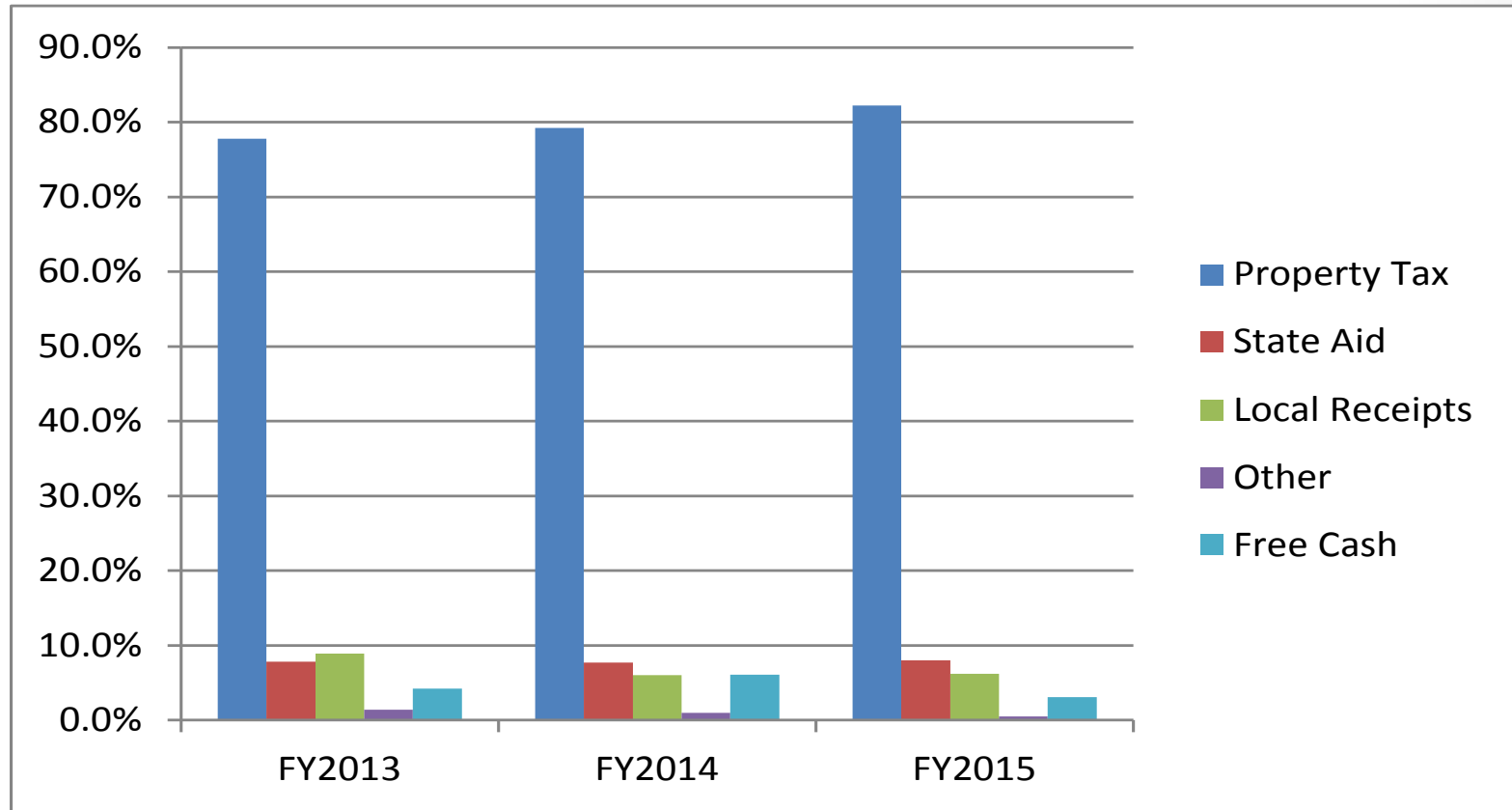
# General Fund Revenue Sources

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	Actual	Budget	Estimate
	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
Property Taxes	77.8%	79.2%	82.2%
State Aid	7.8%	7.7%	8.0%
Local Receipts	8.9%	6.0%	6.2%
Other Sources	1.4%	1.0%	0.5%
Free Cash	4.2%	6.1%	3.1%

\*Due to rounding may not total 100%

# General Fund Revenue Sources

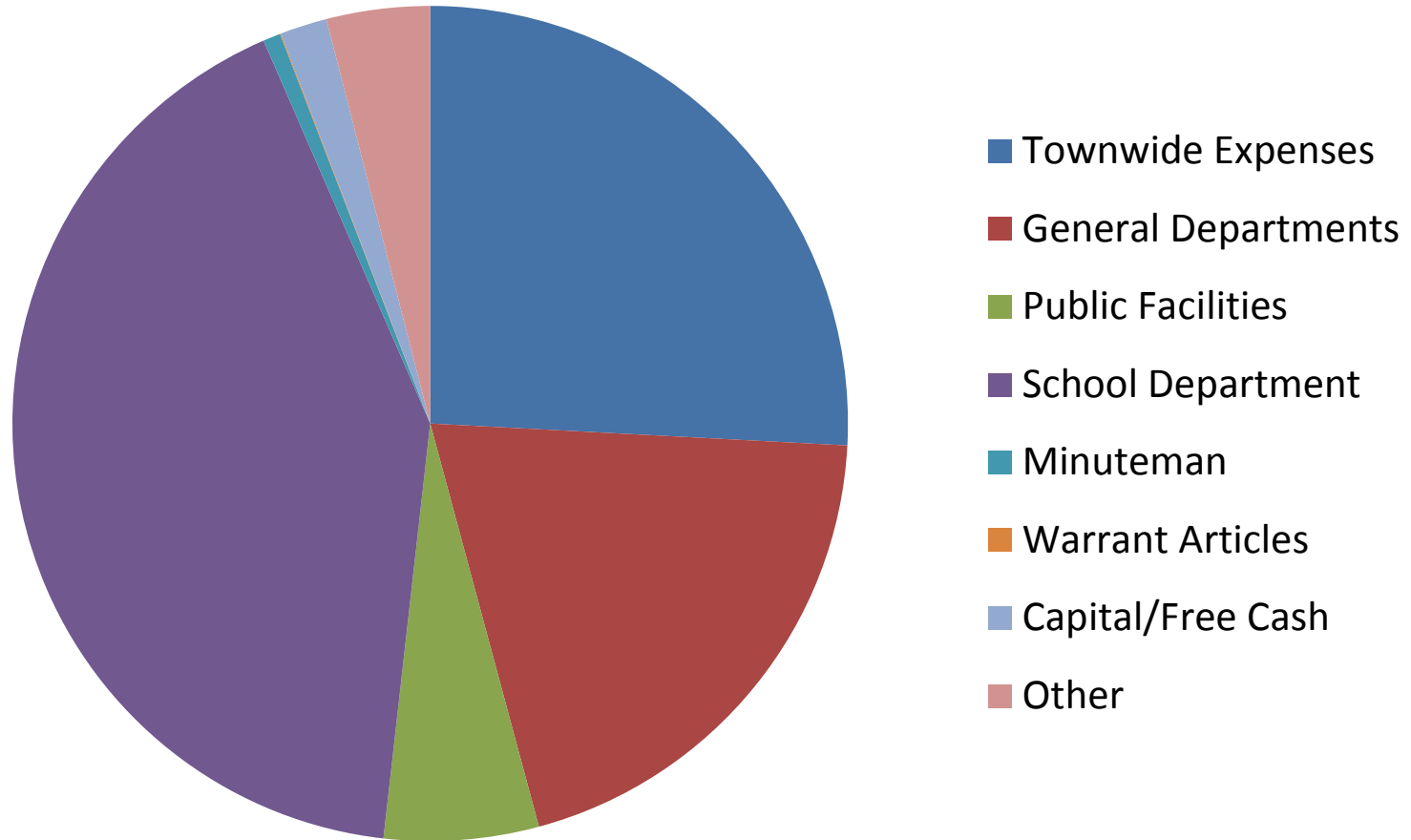


# FY2015 Budget Recap (change from FY2014)

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Townwide Expenses	\$34,960,128	(1.4%)
General Departments	\$27,113,075	4.7%
Public Facilities	\$8,117,148	1.4%
School Department	\$56,584,838	4.8%
Minuteman	\$918,708	25.2%
Warrant Articles	\$48,805	(81.4%)
Capital Budget/Free Cash	\$2,467,260	(55.7%)
Other	\$5,434,327	(5.9%)
<b>Total GF Expenses</b>	<b>\$135,644,289</b>	<b>(0.4%)</b>

# FY2015 Budget Recap



# Budget Drivers

## School Enrollment

- 209 students since 2009/2010 - 4.1%

## Average Change in Salary Lines Past 5 Years

- General Government 2.8%
- Schools 4.5%
- Combined 3.8%

## Increase in Headcount over Past 5 Years

- General Government (.2%)
- Schools 7.3%

## Health Insurance Budget

- Cost per Subscriber Increasing





# Budget Proposal: Needham Public Schools

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TM recommendation is 4.8% over  
appropriated FY14 budget

- Allocation methodology
- Superintendent's Revised  
Request

School Committee to  
vote 1/28/2014



# Sustainability Proposal: RTS

- Allocate Additional GF Revenue - \$618,542 over FY2014
- Eliminate \$95 Sticker
- Reduce Hours Open to the public by as much as one day



# Changes from Submitted Budget

Unemployment	(\$50,000)
Health Insurance	\$153,000
Reserve Fund	(\$100,000)
Personnel Board	(\$600)
Finance	\$128 Net
Planning	(\$12,500)
Police	\$27,611 Net
Fire	(\$54,682) Net



# Changes from Submitted Budget

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Parks & Forestry	\$11,500
Health/Substance Abuse	\$51,758
Health/AED Monitoring	\$2,820
Veterans' Assessment	\$5,471
Youth/PT Social Worker	\$19,019
Children's Librarian	\$21,233
Library/Other	(\$25,720)
P&R/Playground	\$11,725
Minuteman	\$7,768



# General Government Changes

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Mandatory Increases	\$5,471
Level Service	\$75,811
Program Improvement	\$69,983
Reductions	<u>(\$93,502)</u>
<b>Total</b>	<b>\$57,763</b>



# Changes from Budget Requests

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- **RTS - \$49,507**

- Assistant Superintendent \$63,507
- Operating Capital/Roll-Off \$16,000
- Overtime (\$30,000)

- **Water – \$49,585**

- Window Replacement \$20,000
- Water Conservation \$29,585



# Financial Warrant Articles

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- Athletic Facility Fund  
\$40,695
- Property Tax Program  
\$13,805
- Blue Tree  
\$35,000



